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Regional cooperation

Regional cooperation in the economic, social and related fields

Report of the Secretary-General

Addendum 2

Matters calling for action by the Economic and Social Council or brought to its attention

Summary

The present addendum to the report of the Secretary-General on regional cooperation in the economic, social and related fields contains resolutions and decisions adopted by the Economic Commission for Latin America and the Caribbean at its thirtieth session in Puerto Rico from 28 June to 2 July 2004.

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Matters calling for action by the Council

Economic Commission for Latin America and the Caribbean

At its thirtieth session, the Economic Commission for Latin America and the Caribbean (ECLAC) approved the following draft resolutions for adoption by the Council:

Draft resolution I
San Juan resolution on productive development in open economies

The Economic and Social Council,

Bearing in mind resolution 595(XXIX), adopted by the Economic Commission for Latin America and the Caribbean at its twenty-ninth session, in which it urged the secretariat to analyse the relationship existing between the liberalization agendas of the countries of the region and the associated productive development policies including, in particular, their links with trade, national and international financing and social and environmental issues, in order to ensure that those policies take into account the interests of the countries of Latin America and the Caribbean,

Recognizing that progress has been made in the gradual dissemination of economic and social reforms in countries of the ECLAC region but that this has not been manifested in high, stable rates of growth that would create the necessary conditions to provide the individual and shared resources that would meet the inherent need for economic, social and cultural rights, as is emphasized, in particular, in the United Nations Millennium Declaration,

Noting that the emergence of signs of growing interdependence among countries of the region in a number of areas, such as trade, international finance and the environment, opens up new opportunities but also hinders national authorities' policy-making autonomy,

Aware of the profound processes of productive, trade and financial restructuring now taking place worldwide, with the active participation of transnational corporations at the helm of internationally integrated production systems into which some countries of the region are being incorporated,

Observing that the expansion of trade has not resulted in rapid worldwide economic growth, that the inflow of capital to the region, including foreign direct investment, has declined and that this has been a factor in widening the gap in knowledge and technological innovation between the region and the industrialized countries,

Noting that a trend towards income disparities across countries of the region persists; that, within those countries, the low density of the processes involved in changing production patterns has exacerbated the heterogeneity of the production structure, with some sectors displaying differing patterns; and that, through their impact on the composition and quality of employment, those sectors have an influence on the disparity among households' levels of well-being,

Underlining, in sum, that the current phase of access to international markets offers a range of opportunities for productive development, some of which have

been fully utilized by some sectors in developing countries, but that it also entails negative consequences owing to the structural change required to adapt to changing conditions in terms of competitiveness,

Underlining also the tradition and vitality of subregional integration schemes and the potential for deepening them within a framework of open regionalism, along with the rich pool of regional institutions present in Latin America and the Caribbean,

Aware of the various means demonstrated by countries of the region of expanding their trade both within and outside the region and the difficult conditions under which they attract financial resources, including resources in the form of foreign direct investment, and the fact that in many cases the procyclical behaviour of capital flows to the region has led to unsustainable indebtedness,

Highlighting the progress achieved by many countries of the region in the area of macroeconomic management, especially with regard to the control of public finances and inflation; the strides made towards a more effective incorporation of the sustainable development agenda; the expansion, in many cases, of public expenditure on education, which has made it possible to increase the coverage of basic and intermediate education and to launch activities aimed at giving the population access to computerized information networks and audio-visual media; the efforts being devoted to making the labour market more adaptable by introducing new worker training arrangements and unemployment insurance; the participation of the private sector in the modernization of various infrastructure sectors and in interacting with the public sector to develop innovative approaches in the area of social security; and the fact that, nonetheless, efforts should be made to place greater emphasis on devoting attention to the difficulties that the implementation of pension reforms has raised in some countries,

Observing that obstacles to the process of changing production patterns with social equity and environmental sustainability in the region persist; that poverty levels regrettably persist; that economic growth has been insufficient and volatile; that the increase in productivity has not narrowed the gap with the developed world; that the linkages of export activities and foreign direct investment with other economic activities remain insufficient; that institutions for sustainable development have few instruments and scant resources at their disposal; that the insufficient creation of quality jobs continues to impede a reduction in open unemployment and informal employment; that the educational gap with the developed world persists in terms of both coverage (secondary and higher education) and learning outcomes; and that increased demands are being made for social security systems to cover traditional risks (health care, old age and illness) and new risks associated with the increased vulnerability of employment and income,

1. *Welcomes* the document prepared by the ECLAC secretariat, entitled "Productive development in open economies", considering that, thanks to the concepts it explores, the information it contains and the proposals it sets forth regarding international linkages, productive development and social vulnerability, it makes a significant contribution to the current phase of trade liberalization, levels of competitiveness and development of labour markets, education and training;

2. *Welcomes* the proactive agenda proposed by the secretariat of the Economic Commission for Latin America and the Caribbean for meeting the

challenges posed by the current phase of the productive development process, in particular the reaffirmation of national strategies for improving linkages with the world economy as pillars of the process of strengthening competitiveness; the region's potential contribution to building cohesive societies that can mitigate social vulnerability and give the countries greater room for manoeuvre in restructuring production systems; and the stress laid on the importance of an integral approach in which macroeconomic solvency is consistent with productive development and social cohesion policies;

3. *Requests* the secretariat of the Economic Commission for Latin America and the Caribbean to ensure the wide dissemination of the document "Productive development in open economies" and to encourage its consideration in the following areas:

(i) Political, social, academic and business spheres and civil-society organizations in the region, through national, subregional and regional dialogues on the chief components of the proposed agenda;

(ii) International organizations dealing with the various dimensions of economic development, with a view, in particular, to fostering an exchange of ideas regarding proposals for correcting asymmetries and gaps in the international agenda, especially with the International Labour Organization in relation to employment and social cohesion policies and the creation of decent jobs for a just form of globalization;

4. *Requests* the Executive Secretary of ECLAC to undertake a more in-depth analysis of the following issues:

(i) Education, science and technology, highlighting the development of national and regional innovation systems that unite the efforts of the public and private sectors;

(ii) Social protection and active labour-market policies aimed at achieving complementarity between public and private mechanisms in order to broaden coverage and adopt solidarity-based approaches, as part of a major effort to enhance social cohesion;

(iii) Countercyclical macroeconomic management, adding national, subregional and regional measures to complement the changes required at the international level;

(iv) Production linkages, defining policies for developing and deepening them and for forming production clusters;

(v) Sustainable development and competitiveness, devoting special attention to the economic valuation of environmental goods and services and to the improvement of their market access conditions;

(vi) Financing for development, placing special emphasis on the financial development needed to replace intermediation systems dominated by banks with systems that include large capital markets; strengthening of development banks with a view to promoting the institutional changes needed to capture and extend long-term financing and to design risk management instruments to give different types of enterprises easier access to financing; reliance on subregional financial institutions to provide countercyclical financing, correct

situations of illiquidity and support investment programmes for sustainable development; and the role of infrastructure in productive development and competitiveness;

(vii) Trade integration and development, paying special attention to trade in agricultural goods and access to markets that can enable the region's economies to capitalize on their competitive advantages and use appropriate technology;

5. *Calls upon* the ECLAC secretariat to pursue its examination of the development strategies of the Latin American and Caribbean countries in the context of globalization, based on an integrated approach to economic, social and environmental issues which also incorporates gender analysis, and to identify the measures that should be adopted at the national, regional and international levels.

Draft resolution II
Support for the United Nations Stabilization Mission in Haiti

The Economic and Social Council,

Recalling resolution 503(XXIII), adopted by the Economic Commission for Latin America and the Caribbean in 1990, on support for Haiti,

Recalling also General Assembly resolution 57/337 of 3 July 2003 on the prevention of armed conflict, and in particular the role assigned to the Council in that connection,

Bearing in mind Security Council resolution 1542 (2004) of 30 April 2004, in which the Council decided to establish the United Nations Stabilization Mission in Haiti and considered its various aspects, including the promotion of the social and economic development of Haiti and the need to design a long-term development strategy to that effect,

Bearing in mind also that Security Council resolution 1542 (2004) underscores the need for Member States, in particular those in the region, and United Nations bodies, among other actors, to provide appropriate support for these actions,

Highlighting the role that the Council can play in a long-term programme of support for Haiti,

Highlighting also the fact that these economic and social efforts will make an important contribution to the longer-term peace and security objectives of the Mission, which are currently the most immediate priority on the ground,

Considering the content of the Programme of Action for the Least Developed Countries for the Decade 2001-2010,[1]

1. *Welcomes* the commitments undertaken by the countries of the region in connection with the efforts towards the reconstruction of Haiti;

2. *Trusts* that these commitments will be extended to all the spheres envisaged in the mandate of the United Nations Stabilization Mission in Haiti, with

[1] A/CONF.191/11.

special emphasis on economic and social development, in accordance with the spirit of Security Council resolution 1542 (2004);

3. *Requests* the secretariat of the Economic Commission for Latin America and the Caribbean to support the countries of the region, in the context of this effort, in full cooperation with the transitional Government of Haiti and in close coordination with the Mission, with a view to optimizing the actions they seek to carry out under the Mission's terms of reference;

4. *Instructs* the Executive Secretary of the Economic Commission for Latin America and the Caribbean to evaluate, in coordination with the transitional Government of Haiti, the Secretary-General of the United Nations and the Mission, the timing and modalities of such collaboration;

5. *Expresses its satisfaction* with the assistance being provided by the Governments participating in the Mission, and urges other Governments in the region, to the extent of their abilities, to join in this manifestation of solidarity.

Draft resolution III
Implementation of resolutions concerning the participation of associate member countries of the Economic Commission for Latin America and the Caribbean in the follow-up to United Nations world conferences and in the work of the Economic and Social Council

The Economic and Social Council,

Recalling resolution 574(XXVII) of 16 May 1998, adopted by the Economic Commission for Latin America and the Caribbean, on the participation of ECLAC associate member countries in the follow-up to United Nations world conferences and in the work of the Economic and Social Council, as well as resolution 543(XXV) of 27 April 1994 of that Commission on the participation of associate member countries in United Nations world conferences,

Recalling relevant resolutions of the Council, in particular its resolution 2003/51 of 17 July 2003, in favour of strengthening support for Non-Self-Governing Territories, many of which are associate members of regional commissions,

Welcoming relevant resolutions of the General Assembly providing for the participation of associate members of the regional commissions in United Nations conferences in the economic and social spheres since 1992, and most recently in the 2003 World Summit on the Information Society,

Reaffirming the established practice of formal participation of civil society in the work of the Council and its subsidiary organs,

1. *Notes* the continued support of the international community for the addition of a category allowing for the participation of associate members of the regional commissions in world conferences and in special sessions of the General Assembly to review and assess the implementation of the programmes of action emanating from these conferences;

2. *Decides* to establish the necessary mechanisms for the participation of associate members of the regional commissions in the work of the Economic and Social Council and its subsidiary bodies.

Draft resolution IV
Place of the next session of the Economic Commission for Latin America and the Caribbean

The Economic and Social Council,

Bearing in mind paragraph 15 of the terms of reference as well as rules 1 and 2 of the rules of procedure of the Economic Commission for Latin America and the Caribbean,

Considering the invitation of the Government of the Eastern Republic of Uruguay to host the thirty-first session of the Commission,

1. *Expresses its appreciation* to the Government of the Eastern Republic of Uruguay for its generous invitation;

2. *Notes* the acceptance by the Economic Commission for Latin America and the Caribbean of this invitation with pleasure;

3. *Endorses* the decision to hold the thirty-first session of the Commission in the Eastern Republic of Uruguay in 2006.